

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF TENNESSEE
AT KNOXVILLE

SNMP RESEARCH, INC. and SNMP
RESEARCH INTERNATIONAL, INC.,

Plaintiffs,
v.

BROADCOM INC.; BROCADE
COMMUNICATIONS SYSTEMS LLC; and
EXTREME NETWORKS, INC.

Defendants.

Case No. 3:20-cv-00451

**DECLARATION OF STEVE GLEASON IN SUPPORT OF BROADCOM INC.'S AND
BROCADE COMMUNICATIONS SYSTEMS LLC'S EVIDENTIARY SUPPLEMENT TO
JOINT MOTION TO DISMISS PLAINTIFFS' COMPLAINT, OR, ALTERNATIVELY,
TO TRANSFER VENUE**

I, STEVE GLEASON, declare as follows:

1. I am an employee of Brocade Communications Systems LLC and my title is Director, Finance. I make this declaration in support of Broadcom's and Brocade Communications Systems LLC's Evidentiary Supplement to Defendants' Joint Motion to Dismiss Plaintiffs' Complaint, or, Alternatively, to Transfer Venue ("Motion to Dismiss"). I make this declaration based on personal knowledge as well as a review of business records by me or at my direction, and, if called as a witness, could and would testify competently to such facts under oath.

2. Contrary to Plaintiffs' statement in their most recent motion to compel (Dkt. 151 at 18), Broadcom Inc.'s Annual Report on Form 10-K for the fiscal year ended November 4, 2018 includes detailed information about Brocade's assets and liabilities, among other information. This information, along with the other financial information Brocade has provided to Plaintiffs (some of which is described below), shows Brocade is far from "undercapitalized" as Plaintiffs suggest in their motion to compel. (Dkt. No. 151 at 19). *See Exhibit A to the Declaration of Mark Brazeal ("Brazeal Decl.") (Broadcom Inc.'s Annual Report on Form 10-K for the fiscal year ended November 4, 2018) at 67-70 (showing Brocade's assets and liabilities, among other financial information).* For example, Exhibit A shows the fair value of Brocade net assets acquired was \$4.788 billion, not including cash of \$1.250 billion. Brazeal Decl. Exhibit A at 68.

3. While Brocade operates as a separate entity from Broadcom Inc., Broadcom Inc. files consolidated financial statements that are publicly reported to the Securities & Exchange Commission ("SEC"), which include Brocade's accounts as well as the accounts of other Broadcom Inc. subsidiaries. *See, e.g., Brazeal Decl. Exhibit A.*

4. The financial statements of Brocade Communications Systems Inc., Brocade's predecessor, are also publicly available on the SEC's website (www.sec.gov) and contain balance sheet and income statement information, among other financial information. *See, e.g. Exhibit A (BROCADE00743578-BROCADE00743674) (Brocade Communications Systems Inc.'s Form 10-Q for the quarterly period ended July 29, 2017).*

5. Because Brocade's financial information is now consolidated with other Broadcom Inc. subsidiaries for public reporting purposes, Brocade no longer creates traditional "balance sheets" or "income statements." Because Broadcom Inc. publicly files consolidated financial statements with the Securities & Exchange Commission, which include the accounts of Brocade and Broadcom Inc.'s other subsidiaries, Broadcom Inc. does not routinely generate,

use, or report individual balance sheets for its subsidiaries, unless required to do so by local statutory requirements. This is typical for multi-national corporations. Thus, to generate an individual balance sheet for Brocade solely for the purpose of this litigation, Broadcom Inc. or Brocade would need to engage in an artificial exercise and perform an analysis to determine how to incorporate line items and/or transactions that are not reported or relevant to the consolidated financial statements. Moreover, any such balance sheet would not be prepared in accordance with generally accepted accounting principles in the United States.

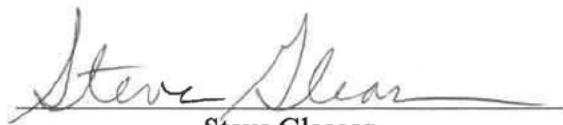
6. Nevertheless, Brocade has produced a vast amount of highly sensitive, non-public financial information in response to Plaintiffs' discovery requests, including dozens of quarterly and annual presentations containing detailed financial information from 2017 to Q2 2022 (BROCADE00048394-BROCADE00050387). Brocade has also produced comprehensive extracts from the general ledger and subledger detailing Brocade's product revenue, costs, quantities, customer information, global support revenue, and net income from 2017 to Q2 2022, among other information. The bates ranges for these general ledger and subledger spreadsheets are BROCADE00050388-50389, BROCADE00700266-700269 (product revenue spreadsheets with accompanying data) and BROCADE00700266-700288 (global support revenue spreadsheets with accompanying data). These spreadsheets collectively contain millions of rows of data. Because these documents and spreadsheets are voluminous and contain non-public, proprietary, and highly sensitive and confidential information, only excerpts or examples of such information are attached. *See, e.g., Exhibit B* (BROCADE00049790-49807 (example of Brocade presentation containing detailed financial information)); **Exhibit C** (excerpts from BROCADE00700290 (2022-Q2 Global Support Revenue)); **Exhibits D** (excerpts from BROCADE00050389, BROCADE00700266, and BROCADE00700269 (product revenue spreadsheet examples)).

7. The subledger product revenue spreadsheets and global support revenue

spreadsheets identify Brocade's customers as well as end users to the extent that information is known to Brocade. *See Exhibits C & D.*

8. If Brocade provided support services to any end users in Tennessee who purchased a Brocade product through third parties, they would be listed on the "Global Support Revenue" spreadsheets that were produced by Brocade. *See, e.g., Exhibit C* (excerpts from BROCADE00700290 (highlighting entries showing support services provided to "ult[imate] customers" [REDACTED])).

Executed on this 22nd day of July, 2022, at Broomfield, Colorado. I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.



Steve Gleason
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